

PUBLIC EMPLOYEES' RETIREMENT BOARD
100 N Park
Helena MT 59620

Board Legislative Committee Minutes
Tuesday March 13, 2007
1:30 PM

Committee Members: Robert Griffith and Troy McGee and John Paull by phone.

Staff: Roxanne Minnehan, Melanie Symons, Kathy Samson,
Kim Flatow, Barbara Quinn and Scott Miller, MPERA.

Other Attendees: Terrence Smith Board Member by phone
Stephen Kologi and Jim Christnacht, AMPRE.

Public Comment – *No public comment.*

Approval of Committee Minutes - As the meeting scheduled for March 6th was cancelled; there were no minutes that needed approval.

Executive Director's Report

The House State Administration Committee conducted their first working session on retirement legislation on March 9th. This session was basically a mini review of the retirement systems and a comparison of HB125, HB159 and HB131.

HB 129 – The General Revision Bill is scheduled for hearing in the Senate State Administration on March 14th.

Bill Review

HB13 – Pay Plan for state employees. Second reading passed as amended. As of February 21st, this bill has transferred from the House to the Senate by a vote of 79-15. The bill has passed the 2nd reading as of March 13th by a vote of 29-21.

HB81 – Generally revise teacher retirement system laws. This bill was heard in the Senate State Administration on March 12th and passed out of committee immediately.

HB544 – Allow for withholding of dues from retirement pensions. This bill was first heard on February 13th. The Board opposed this bill. The bill was amended to only affect the Highway Patrol Officers' and the Municipal Police Officers' Retirement Systems. This bill is scheduled to be heard in the Senate State Administration on March 23rd at 3pm.

HB639 – Create volunteer EMT retirement system. Rep Bergren had previously stated that this bill wouldn't be introduced. This bill is scheduled for hearing in the State Administration on March 20th.

HB771 – Revise actuarial valuations and reporting for retirement systems. The bill proposes annual actuarial evaluations but allows the extra expense to be excluded from the Board's budget cap. This bill is scheduled for hearing in the Senate State Administration on March 26th at 3pm.

HB792 – Index postretirement GABA for future PERS and TRS members. As previously discussed, this bill missed transmittal but may be revived during the House state Administrations work sessions.

HB814 - Revise postretirement benefits and increases in statewide police retirement systems (was draft number LC0991 - Frank Cole bill). Senator Carolyn Squires has requested Representative Robin Hamilton to sponsor this bill. This bill includes an ad hoc \$500 permanent adjustment to certain retirees before 1991 and increases the GABA from 3% to 5% for all police that have chosen GABA. There is a \$1M appropriation in this bill. The actuary's analysis shows an increase of \$100M to the UAL. The Amortization periods increases from 21.4 yrs to infinity. A hearing is scheduled in the House State Administration on March 19th.

SB11 – PERS exemption for legislative session staff (to extend legislative time from 6 months to 10 months). The PERB is neutral and informational. This bill is assigned to the Senate State Administration Committee. This bill was amended at our request during hearing to correct the election filing to match the extension. This bill has passed the Senate 49-0 and has moved to the House. The House State Administration Committee hearing is scheduled for March 6th. This bill was returned to the Senate on March 9th.

SB72 – Require Senate Confirmation of PERB nominations. The hearing in the House State Administration was conducted the morning of March 8th. This bill returned to the Senate on March 12th.

SB175 – Prohibits application of rule until the rule is effective as law. The bill was first heard January 19th 2007. The bill was heard in the House State Administration on March 13th.

SB532 – Revise firefighter's retirement laws. This bill was heard on February 23rd. There are four major points to this bill.

- 1) Overtime payments in the definition of compensation. This opens the door for spiking final compensation – Board opposes
- 2) Authorizing participation in the retirement system by certain fire departments – Board supports
- 3) Authorizing return to service for a limited number of hours without loss of benefits. There would be loss of contributions on new employees – Board opposes

- 4) Providing a deferred retirement option plan. MPORS DROP was not cost neutral
– Board Opposes

During the hearing it was agreed to amend out DROP and overtime hours in compensation and decrease working retiree hours to 480. The Board approves as amended. The bill passed out of Committee 10-1. The bill transferred to the House on February 28th.

Un-introduced Legislation

LC1966 – Revise pension plans for all new hires. This would implement a DC plan for all hire hires. Draft went to review on February 26th. Draft is now ready for delivery as of March 13th.

Other Business

There being nothing else to come before the committee, Mr. Griffith, Chair, adjourned the meeting at 2:05 pm.